

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF THE )  
BRACKEN COUNTY WATER DISTRICT ) CASE NO. 96-192

O R D E R

On May 5, 1996, Bracken County Water District ("Bracken Water") applied to the Commission for authority to adjust its rates. In its filing, Bracken Water requested permission to deviate from the requirements of 807 KAR 5:076, Section 1, and 807 KAR 5:001, Section 10(7)(a).

807 KAR 5:076, Section 1, requires utilities that apply for a rate adjustment pursuant to the alternative rate adjustment procedure to have 500 or fewer customers, or \$300,000 or less gross annual revenue. Bracken Water is a relatively new district created from the merger of Bracken County Water District No. 1 and Western Bracken Water District. Bracken Water is divided into two divisions for accounting purposes. Division No. 1, which is comprised of the former customers and service territory of Bracken County Water District No. 1, has 896 customers and total gross revenues of \$295,257. Division No. 2, which is comprised of the former customers and service territory of Western Bracken Water District, has 496 customers and total gross revenues of \$118,200. Each division, if legally separate entities, could therefore qualify for an alternative rate adjustment. However, due to the recent merger, Bracken Water is a single utility. As such, there

is no legal justification for treating its divisions separately for the purposes of the present case. Therefore, its request for permission to deviate from the requirements of 807 KAR 5:076, Section 1, should be denied.

807 KAR 5:001, Section 10(7)(a), requires the submission of a detailed income statement and balance sheet reflecting the impact of all proposed adjustments. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the information filed therein is sufficient to enable the Commission to review adequately Bracken Water's filing. Therefore, its request for permission to deviate from the requirements of 807 KAR 5:001, Section 10(7)(a), should be granted.

IT IS THEREFORE ORDERED that:

1. Bracken Water's request for permission to deviate from the requirements of 807 KAR 5:076, Section 1, is hereby denied.

2. Bracken Water's request for permission to deviate from the requirements of 807 KAR 5:001, Section 10(7)(a), is hereby granted.

Done at Frankfort, Kentucky, this 22nd day of May, 1996.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt  
Chairman

E. J. [Signature]  
Vice Chairman

Robert M. [Signature]  
Commissioner

ATTEST:

Don Mills  
Executive Director